

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division**

In re

Case No. 24-13609-MCR

Smokecraft Clarendon, LLC

Chapter 11

Debtor.

NOTES ACCOMPANYING JANUARY 2025 OPERATING REPORT

1. As previously noted in connection with this case, Smokecraft Clarendon, LLC (“Smokecraft” or the “Debtor”) budgets—and tracks revenue—by defined time periods that do not precisely align with calendar months. These periods have been reflected in the budgetary attachments to each operating report in this case and were discussed, in some detail, at an evidentiary hearing in January 2025. These periods also reflect a common accounting practice whereby businesses aim to more precisely budget based on periods of time of equal duration, whereas the various calendar months can span anywhere from 28 to 31 days and accordingly create temporal discrepancies.

2. January 2025 has proven particularly emblematic of the delta between budgetary periods and calendar months. During the calendar month, the Debtor paid its workforce on three occasions (juxtaposed to the normal two wage payments per reporting period), greatly increasing expenses, but still only realized 31 days of revenue. This, in turn, creates a deceptive prism whereby expenses appear to be disproportionate to income, even though a report pegged to budgetary periods would not reflect such skewed figures.

3. In the December 2024 monthly operating report, the Debtor projected cash disbursements of \$178,020.49 for January 2025, predicting a net loss of \$5,066.32 (with January being part of the downswing of the acknowledged seasonal fluctuation for barbecue restaurants).

See DE #86 at p. 3, § 7, ln. 37. As reflected on the operating report to which these notes are appended, the actual net loss for January 2025 was \$39,757.96. See DE #105 at p. 3, § 7, ln. 34. This created a net difference of \$-34,691.64. *Id.*

4. As shown on the attached payroll summary report, the third January 2025 payroll presented a net expense of \$34,644.26. Save for this oddly-timed payroll, the Debtor's performance would have been within \$47.38 of the budgeted figure.

Respectfully submitted,

/s/ Maurice B. VerStandig
Maurice B. VerStandig, Esq.
Bar No. 18071
THE BELMONT FIRM
1050 Connecticut Avenue NW,
Suite 500
Washington, DC 20036
Phone: (301) 444-4600
E-mail: mac@dcbankruptcy.com
Counsel for the Debtor